



Winston-Salem

Request for Proposals

Financial Advisory Services

PROPOSALS WILL BE RECEIVED UNTIL

12:00 Noon, Tuesday, April 10, 2018

in

**Purchasing Department, City Hall Building
101 North Main Street, Suite 324 Winston-Salem, NC 27101**

ADVERTISEMENT FOR PROPOSALS

Sealed proposals endorsed **Financial Advisory Services** for the City of Winston-Salem will be received by the City/County Purchasing Department in Suite 324, City Hall Building, 101 North Main Street, Winston-Salem, NC 27101, **until 12:00 Noon, Tuesday, April 10, 2018**. Instructions for submitting proposals and/or receiving the complete RFP document specifications may be obtained during regular office hours at the same location, or by contacting Jerry Bates via email jerryjb@cityofws.org (**Email is preferred**) or phone 336-747-6939. The City reserves the right to reject any or all proposals.

Jerry Bates
Purchasing Director

This document IS NOT the complete proposal. To obtain the completed proposal specifications contact Jerry Bates via email jerryjb@cityofws.org, by phone 336-747-6939, or visit the Purchasing Department, City Hall Building, Suite 324, 101 North Main Street, Winston-Salem, NC during regular office hours.

INSTRUCTIONS TO PROPOSERS

Introduction

This entire set of documents constitutes the RFP. The proposer must return the RFP with all information necessary to properly analyze the proposer's response in full. Proposer's notes, exceptions and comments may be rendered on an attachment, provided the same format of this RFP text is followed.

Proposer Questions and Inquiries

Proposer questions or inquires relative to this RFP must be submitted **in writing only** to Jerry Bates, City/County Purchasing Director, 101 North Main Street, Winston-Salem, NC 27101 or e-mail: jerryjb@cityofws.org (**Email is preferred**). Fax: (336) 727-2443. **All inquiries must be made by 12:00 noon, Thursday, March 29, 2018.** The City will provide written responses to all inquiries received by this date and responses will be made available to all recipients of this RFP. Any oral responses made by any representative of the City may not be relied upon. Any supplements or amendments to this RFP will be in writing and furnished to potential bidders.

RFP Response Submission

Proposals must be submitted in a **sealed container or envelope**. Please identify your proposal as **Financial Advisory Services** and provide **one (1) original (please mark document as original)** proposal showing original signatures and seals and **five (5) copies** of the complete proposal.

Proposals are to be submitted to att: Jerry Bates, City/County Purchasing Department, Suite 324, City Hall Building, 101 North Main Street, Winston-Salem, NC 27101 **by 12:00 Noon, Tuesday, April 10, 2018. Submittals will not be accepted by fax or electronic mail. Late proposals will not be considered.**

The City reserves the right to reproduce responses for internal use in the evaluation process.

The City will not be obligated for the expenses of any provider arising out of preparation and/or submittal of responses to this RFP.

Proposals must be made in the official name of the individual, firm, or corporation under which the business is conducted (showing official business address) and must be signed in ink by a person duly authorized to legally bind the business entity submitting the proposal.

PROPOSERS ARE EXPRESSLY FORBIDDEN FROM CONTACTING ANY OTHER CITY OF WINSTON-SALEM EMPLOYEE OR CITY OF WINSTON-SALEM ELECTED OFFICIAL REGARDING THIS REQUEST FOR PROPOSALS. ANY SUCH OUTSIDE CONTACT MAY RESULT IN DISQUALIFICATION FROM THE REQUEST FOR PROPOSAL PROCESS.

Price quotes must be firm and valid for 120 days and remain fixed throughout the contract period.

SCOPE OF WORK/TECHNICAL SPECIFICATIONS

1. SCOPE

Introduction

The City periodically issues debt to fund its operations in the form of General Obligation, Certificates of Participation, Limited Obligation, Special Obligation, and Revenue bonds. The City does not engage a Financial Advisor for General Obligation bonds, because those bonds are issued on a competitive bid basis through the Local Government Commission and proposals should not include fees for General Obligation Bonds. The remaining types of bonds, private debt placements, installment purchase agreements, and swapped debt may be issued on a competitive or negotiated basis. A Financial Advisor is usually engaged for negotiated debt sales. The City reserves the right to issue any debt sale as a competitive bid without a financial advisor and to obtain specialist financial advisory services in addition to or in lieu of the retained financial advisory services being proposed for in this RFP, if the nature of the debt issue requires specialized experience or knowledge that a general financial advisor does not have such as knowledge of a particular industry or past debt transaction contracts. Examples might be financing sports facilities, convention center improvements or other specialized assets.

The City is soliciting proposals from qualified firms for Financial Advisory services for these programs which are described in more detail below. Official Statements on past debt issues of the City of Winston-Salem can be found at <http://www.munios.com/>.

1.1. A Revenue Bonds

The City routinely issues Water and Sewer Revenue Bonds in amounts ranging from \$40 million to \$110 million every two to three years depending upon project needs. These bonds are typically issued as negotiated deals and may be fixed rate, variable rate, or swapped issues. A financial advisor is usually engaged to advise in respect to negotiating underwriting fees, terms of the debt issue, specifics relating to the terms of the bond indentures, repayments, and interest rates and to advise as to whether market conditions are favorable to issuance at any particular time. The financial advisor is expected to perform difficult, complex, technical analysis regarding the optimal structuring of any particular financing. The City may issue Stormwater Revenue bonds although no issuance is currently planned.

1.1. B Limited Obligation Bonds

The City routinely issues Limited Obligation Bonds through the North Carolina Municipal Leasing Corporation in order to fund equipment or special capital projects on a lease purchase basis with the City of Winston-Salem in amounts ranging from \$3 million to \$50 million depending upon project needs. The most common issuance structure has been bonds in \$18 to \$20 million issues for 59 months approximately every other year to fund equipment purchases. These bonds are typically issued as negotiated deals or private placements. Issuance may be either fixed or variable rate. A financial advisor is usually engaged to advise in respect to negotiating underwriting fees, terms of the debt issue, specifics relating to the terms of the bond indentures, repayments, and interest rates and to advise as to whether market conditions are favorable to issuance at any particular time. The financial advisor is expected to perform difficult, complex, technical analysis regarding the optimal structuring of any particular financing.

1.1. C Special Obligation Bonds

The City periodically issues Special Obligation Bonds in order to fund solid waste or economic development capital projects in amounts ranging from \$1 million to \$15 million depending upon project needs. The issue structures have been variable rate, fixed rate or privately placed bonds depending upon the needs of the project. A financial advisor is usually engaged to advise in respect to negotiating underwriting fees, terms of the debt issue, specifics relating to the terms of the bond indentures, repayments, and interest rates and to advise as to whether market conditions are favorable

to issuance at any particular time. The financial advisor is expected to perform difficult, complex, technical analysis regarding the optimal structuring of any particular financing.

Scope Specifics

Recurring Services Included in Annual Retainer Fees:

1. Meet with City of Winston-Salem staff and underwriters to review proposed financing and refinancing including both in-person and conference call meetings on an as needed basis.
2. Discuss with underwriters deals that underwriters want to present to the City as to appropriateness and fit for City needs and whether market conditions are optimal.
3. Meet with City staff periodically to update City staff on new regulations, industry trends, new financial products underwriters are presenting.
4. Maintain a current view of the City's debt profile and structures of outstanding debt. Describe how you will monitor refunding and swap termination opportunities and what kinds of reports you expect to deliver to the City and how often. Describe any other proactive debt management services that will be included.
5. Consult with the Chief Financial Officer and other City staff on upcoming financing needs, new issues or other debt restructuring opportunities.
6. Serve as Qualified Independent Representative "QIR" for all discussions and proposals relating to the City's swapped debt.

All recurring services must be provided on a fixed annual fee basis.

Non-Recurring Services

1. Advise the City with respect to a particular debt issue:
 - negotiating underwriting fees
 - terms of the debt issue
 - specifics relating to the terms of the bond indentures
 - repayments debt service
 - interest rates
 - whether market conditions are favorable to issuance
 - perform difficult, complex, technical analysis regarding the optimal structuring of the financing
 - structures, novations, takedowns, refinancing, renegotiation or any other changes to provisions of swap agreement
 - any or all other financial advisory services required on a specific financing
2. Prepare/review rating agency presentation materials in conjunction with underwriter
3. Meetings/conference calls with ratings agencies
4. Prepare special projects or special Financial Advisory studies as requested.

Proposers should provide a rate schedule specifying fees and/or fee schedules for each of the types of City debt that shown above. Fees can be expressed as a set rate per hour with a set number of hours for each type of issue or expressed based upon size or type of issue or as a set fee for any type of issue. The City reserves the right to request subsequent re-proposal of the fee schedule or a reformatting or restructuring of the quotes in order to arrive at apples to apples comparisons of rates between proposers. **Proposers are required to use the format provided in Financial Advisor RFP Exhibit 1. Proposals that do not follow the format in Exhibit 1 will be considered nonresponsive and will be disqualified.**

The City stipulates that the number of expected hours required for Non-Recurring Services will need to be agreed upon as each issue is prepared and will vary by issue, but the pricing per hour will have to be honored throughout the three year contract period. Pricing may be broken out by type, position

or name of staff members to be used. The projected hours requested in the Exhibit 1 are to help the City determine contractual amounts for purposes of the Budget and Fiscal Control Act.

Proposers should assume that the City will obtain ratings from Moody's, S&P, and Fitch on each individual issue.

All pricing and hours information is public information under North Carolina General Statutes.

2. SELECTION CRITERIA

Proposals will be evaluated for quality, completeness, and price value to the City of Winston-Salem by an evaluation panel. Each proposal will be evaluated and ranked based on the firm's ability to meet the performance requirements of this RFP. Issuance of this RFP does not guarantee a contract will be awarded to any proposer.

Below is a description of the evaluation criteria that will be used to evaluate the proposals. To be deemed responsive, it is important for the firm's proposal to contain appropriate detail to demonstrate satisfaction of each criterion and compliance with the performance provisions outlined in this RFP. The proposal will be the primary source of information used in the evaluation process. Proposal must contain information specifically related to the proposed services requested in this RFP. Failure of any firm to submit information requested may result in the elimination of the proposal from further evaluation.

This RFP is not to be construed as a guarantee that an agreement will be awarded. The City expressly reserves the right to reject all proposals received and to negotiate the final terms of any proposal. Furthermore, the City expressly reserves the right to reject any and all proposals, for any reason, and to waive any of the terms, conditions, and provisions contained in the RFP. Such waiver will be at the discretion of the City, to the advantage of the City, and in the City's interest.

3. PROPOSAL EVALUATION CRITERIA

Respondents will be evaluated for selection on the basis of the Proposer most qualified to meet the requirements of this RFP. Major criteria to be considered in evaluation may include, but shall not necessarily be limited to:

- A. **Work Experience** – Financial Advisor(s) will be evaluated on services provided to governmental units of similar size and experience with the types and sizes of debt issues typically issued by the City.
- B. **Knowledge of City of Winston-Salem Debt.** Proposer should have a good understanding and knowledge of the City's outstanding debt portfolio.
- C. **Price** - Reasonableness/competitiveness of proposed fee and/or benefits to the City of Winston-Salem, although the Evaluation Panel is not bound to select the respondent who proposes the lowest fees or most benefits for services. The Evaluation Panel reserves the right to negotiate fees and/or benefits to the City of Winston-Salem with the selected respondent(s).
- D. **Qualified Independent Representative-Certified** – The City of Winston-Salem currently has SWAP agreements; therefore, would require a certified QIR.
- E. **Local Business (Distance from City)** - Proposer's business location/distance from the City of Winston-Salem.
- F. **M/WBE Commitment** – Proposer's efforts to comply with all the terms and conditions of the City of Winston-Salem's Minority and Women Business Enterprise (M/WBE) Program through award of subcontracts to minority and women-owned business enterprises and utilization of minority and women-owned business enterprise suppliers to the fullest extent consistent with the efficient performance of this contract. **Please refer to pages 13 through 26 in the complete bid document**

The following “Weighted Scale” will be used to evaluate each proposal

Criteria	Weight
Work Experience	20.00
Knowledge of CWS Debt	25.00
Price	10.00
Qualified Independent Representative-Certified	5.00
Distance from City of Winston-Salem	20.00
MWBE Commitment	20.00

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4. INFORMATION REQUIRED

A. Professional Qualifications

1. Name of your firm, address, telephone number, and contact information for individual with primary responsibility for this proposal, including email address.
2. Provide demographic information for full time employees in your firm and the location of your nearest office to the City of Winston-Salem. Include the number of employees dedicated to providing Financial Advisory services to governmental clients.
3. Provide biographical profiles of the individual(s) who will be assigned to the projects, their location, and contact information. Include specific information regarding their experience with Financial Advisory services.
4. Provide an overview of your firm’s qualifications and experience in working with governmental clients. List all governmental clients currently under contract and any governmental clients that have terminated their relationship with your firm during the last three (3) years.
5. Describe any specialized skills, training, or background in public finance of assigned individuals. This may include participation in state or national professional organizations, speaker, or instructor role in conferences or seminars, or authorship of articles and books.
7. Describe any regulatory action taken by any oversight body against the proposing organization or local office.
8. Comment on your firm’s commitment to women and minority employment. Indicate the expected percentage of participation in the proposed services by women and minority staff members.
9. Provide documentation that your firm is a qualified, Independent Registered Municipal Advisor “IRMA” under MSRB rules and requirements.
10. Provide documentation that your firm is qualified and certified under CFTC regulations to serve as a “Qualified Independent Representative” or “QIR” for swap deals and other debt issues. Provide a signed and notarized copy of your certification that you are “independent” of the Citigroup, which is the City’s swap dealer and swaps counter-party, and do not have any business relationships with Citigroup Global Markets or other counter party to a City of Winston Salem Swap that would disqualify you from serving as the QIR. Such documentation will need to be provided in letter form at least annually.

B. References

Please provide a list of at least three governmental references containing names and contact information for Financial Advisory services proposed. The list must include client name, contact, telephone number, email address, and a brief description of the client. Particular emphasis should be given to local governmental clients with similar sized budgets, if possible.

C. Fees

Fee Quotes Should be submitted in a separate envelope in the format provided in Exhibit 1.

The City desires the most effective combination of price, performance, and quality possible within the constraints of its budget. Proposal should include pricing for a three year contract period. The City's preference is for a not-to-exceed annual price for recurring services. Pricing for non-recurring services can be provided on a per service or hourly rate basis. **Pricing must be inclusive of all expenses, including travel related expenses for recurring services.**

Price quotes should include itemizations for personnel costs including estimated hours and rate per hour for each category of personnel (i.e. partner, manager, senior, staff accountants, clerical, etc.).

All costs not explicitly stated in the price quotations shown in the proposal will be excluded from payment consideration by the City in the event that a contract is awarded based on the proposal. **Price quotes must be firm and valid for 120 days and remain fixed throughout the contract period.**

E. Time Schedule

Request for proposals will be mailed/mailed week of March 12, 2018. Proposals signed by authorized officials will be received by **City/County Purchasing Department, City Hall - Suite 324, 101 North Main Street, Winston-Salem, NC 27101 until 12:00 Noon, Friday, March 2, 2018.** The Financial Management Services Staff will review the proposals and make a recommendation to City Council for approval.

Exhibit 1 Financial Advisor Fee - Proposal Pricing Form to follow – The excel spreadsheet included with this Proposal document for your convenience in calculating Total Price Quote.

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